

Trade Invest Monthly

Hawaii's International Business Network

Hawaii Notices

February 2001
- Issue: 01TIM 2

Inside this Issue

- 1 Hawaii Notices
- 2 World Wide Marketing Reports
- 3 Offers
- 3 Trade Events & Trade Missions
- 4 Internet Resources
- 4 Report Request Form

Department of Business, Economic
Development & Tourism
Business Development & Marketing Division
P.O. Box 2359, Honolulu, Hawaii 96804
Tel: (808) 587-2584, Fax: (808) 587-3388,
Email: tradeinvest@dbedt.hawaii.gov

Accessing Japan Business Markets and Capital

Hawaii entrepreneurs are invited to learn about accessing Japanese venture capital, partnering with Japanese companies and developing synergistic alliances. Understanding the business and legal considerations in Japan is critical when doing business with Japanese companies. Seminar participants will hear from representatives from CTR Ventures K.K. and White & Case LLP who will present useful information on accessing and entering the Japan market, and the opportunities that are available especially to technology-related services companies from Hawaii. Sponsored by DBEDT and the Honolulu Japanese Chamber of Commerce.

Program Topics:

- The Japanese venture capital market and the opportunities for Hawaii ventures to obtain financing from Japanese VCs.
- The Japanese telecommunications market and the opportunities for Hawaii ventures to sell into the market.
- Partnering opportunities with Japanese companies. What are the synergies?
- Japanese legal and tax implications of selling from Hawaii and starting operations in Japan.

Company background:

CTR Ventures K.K. is positioned in Japan as a specialist Advisor Venture Capital firm and Accelerator. CTR selects a group of high potential ventures and supplies them with business advantages from capital and key contacts to talent and mentoring.

White & Case is a large foreign affiliated law office in Tokyo with U.S. attorneys, Japanese attorneys and Japanese tax attorneys. They provide venture capital legal services to startups in Japan and to Japanese investors in U.S. startups.

Speakers:

Roger Boisvert, Chairman and Founder, CTR Ventures K.K. Recognized as one of the founders of the Internet in Japan, Mr. Boisvert created what became the first government authorized commercial Internet company in Japan, which later became PSINet Japan. He has been a consultant at McKinsey & Company, Japan, and has more than 20 years of experience in the Japan market.

Derek Schneideman, President, CTR Ventures K.K. Mr. Schneideman brings qualification in the IT and e-

commerce industries in Japan, having held the title as President of Gateway Computer Japan. He has more than 20 years of management experience in Asia.

Jeffrey Natori, Managing Director and General Counsel, CTR Ventures K.K. Born and raised in Hawaii, Mr. Natori has lived in Japan for more than 10 years. Prior to joining CTR Ventures, he practices with a leading international law firm in Tokyo, specializing in M&A and telecommunications transactions. He is licensed as a Foreign Law Lawyer in Japan, and likewise holds an attorney's license in the states of Pennsylvania and Hawaii.

Eric N. Roose, Partner, White & Case LLP, Tokyo. Raised in Hawaii, Mr. Roose has extensive experience advising foreign and domestic businesses, investment and venture capital funds, high-tech companies and e-business startups. He is a former partner at the law firm of Cades Schutte Fleming & Wright in Honolulu, former Chairman of the Tax Section of the Hawaii State Bar Association, and former President-elect of the Hawaii Society of CPAs.

Michael J. Yoshii, Partner, White & Case LLP, Tokyo. Mr. Yoshii is the leader of the high-tech practice group of White & Case's Tokyo office, and is active in representation of approximately 50 high-tech startups in both inbound and outbound transactions.

DATE: Monday, March 5, 2001
TIME: 3:30-5:15 p.m. (reception to follow)
PLACE: Japanese Cultural Center of Hawaii
Manoa Garden Ballroom
2454 South Beretania Street
(Parking: \$2.00 with validation)

Space is limited and on a first-come first served basis.

For more information, contact Tel: (808) 587-2750; Fax: (808) 586-2589.

WUSATA Export Readiness Seminars scheduled for March

As part of our continuous effort to expand market opportunities for Hawaii's agricultural and food products, the Hawaii Department of Agriculture (DOA) has joined the Western U.S. Agricultural Trade Association (WUSATA) to bring the Export Ready Program to Hawaii. This Program is designed to address various export-specific issues of local businesses that want to export agricultural and food products.

If you are a business, thinking of exporting for the first time or are already exporting and want to learn more, the Export Ready Program is for you. You can sign up for One-on-One individual sessions (two-hours) with an export consultant to:

- Get answers to your export questions
- Investigate your strategic export choices
- Design tactics to fit your strategy and budget
- Learn about State and Federal export programs.

If you are a beginner exploring the opportunity to export, then the roundtable group sessions (limited to 3-5 companies per two-hour session) is for you to:

- ◆ Meet others with similar needs;
- ◆ Learn about when to consider exporting;
- ◆ Learn how to focus on key exporting issues; and
- ◆ Discuss how the State and Federal export program supports your goals.

An industry consultant, John Kauke, with over 20 years of experience in pioneering foreign market development, will lead the sessions. All sessions require a \$50 fee per participant. Participants will receive an Export Ready Kit including international marketing guides and books to start an "Export Reference Library".

Sessions will run from March 26 to 28 across the state according to participants' location (Oahu, Maui, and the Big Island). Please note that the \$50 payment is due one (1) week before your chosen session in order to confirm and reserve your spot. Please, make checks payable to WUSATA and send to 2500 Main Street, Suite 110, Vancouver, Washington 98660.

For more information and a registration form please contact the DOA Market Development Branch, (808) 973-9590 by March 5, 2001. Contact Abel Konan at HDOA, (808) 973-9596 or Sheralyn Hulegaard at WUSATA, (360) 693-3373.

Top Commerce Official in Beijing to Speak on Opportunities for Hawaii Firms

Thomas Lee Boam, the Minister Counselor for Commercial Affairs at the

U.S. Embassy in Beijing, will be the featured speaker at a luncheon sponsored by DBEDT, the U.S. Department of Commerce, Kapiolani Community College and the East-West Center. Boam will discuss business opportunities in China for Hawaii companies.

DATE: Wednesday, April 4, 2001

TIME: 11:00 am – 2:00 pm

PLACE: Garden Room, East-West Center 1601 East-West Road, Honolulu

COST: \$25

To register, call Trude Pang at KCC at (808) 734-9363.

Service Export Opportunities in Energy from Hawaii to the Philippines

DBEDT reports that the sugar mills in the Philippines could soon be generating and exporting electricity to surrounding communities as a result of team efforts from the University of Hawaii and DBEDT.

This effort started through a business mission led by Governor Benjamin J. Cayetano in May 1997. The mission resulted in the signing by the Governor and Philippine Secretary of Energy Viray of a Memorandum of Understanding agreeing to technical collaboration on a comprehensive biomass-to-energy program and other projects in the Philippines.

Through this Memorandum, the UH-DBEDT team recently completed a study of the energy situation in the island of Negros Occidental, located south of Luzon. The purpose of the study, conducted by the UH Hawaii Natural Energy Institute on the auspices of DBEDT's Energy, Resources, and Technology Division, was to assist the Philippine government in developing its renewable energy capabilities, with an emphasis on power generation from biomass.

The UH-DBEDT study aimed at improving energy efficiency of Philippine sugar mills by generating surplus electric power that could be sold to public utility companies. The team also suggested ways to increase the amount of power generated from renewable energy sources.

The investigation identified a number of energy-efficiency improvement options, including upgrading both the sugar processing plants themselves and the steam and power generation stations in the factories to increase the amount of electricity exportable from the mills.

These steps would provide additional revenue for the sugar mills, savings on operations and maintenance, and a reduction in the amount of costly, non-renewable fossil fuel used to

generate electricity at the sugar factories and in surrounding communities in Negros Occidental.

Based on the study, significant opportunities for designing, installing, and operating profitable power generation and export systems exist in the Philippines.

For Hawaii companies interested in receiving a copy of the final project report, please contact Maurice Kaya, Administrator, Energy, Resources, and Technology Division, at Tel: (808) 587-3812 or by email: info@dbedt.hawaii.gov

Worldwide Market Reports

Due to the large number of requests for reports, we have made the request process easier to better serve you. Complete the request form at the end of the newsletter and Fax to (808) 587-3388, or send an Email message to: tradeinvest@dbedt.hawaii.gov.

The report service offered is reserved for Hawaii companies only.

If you are outside of Hawaii and are interested in the reports highlighted in our newsletters, please go to the United States Department of Commerce website, www.stat-usa.com. You will have the choice of ordering the reports you need for a small fee or you can subscribe to their service for an annual fee and have unlimited access to all reports and services

Japan – Market Development Updates in the Food Business Sector

The U.S. Department of Agriculture's Foreign Agricultural Service has recently provided a summary of current news reports related to U.S. companies in Japan's mass media and food press. Reports came from these sources: 1) *The Nihon Economic Newspaper*, 2) *The Nikkei Marketing Journal*, 3) *The Japan Food Journal*, 4) *The Beverage & Food News Commentary*, 5) *The Japan Food News*, and 6) *The Food Industry News*.

The news highlights are as follows:

- Wal-Mart, the world's largest retailer, plans to launch a Japan office in summer 2001, and open its first store by 2002. The location has not been decided.
- According to the Japan Chain Stores Association, total sales of national supermarkets in November declined 5.1% compared to the same period last year. It is the 24th consecutive month of decline. Fresh food increased by 1.1% but overall sales declined by 2.9%.
- Daiei announced on January 10 a new strategy to locate the general merchandise stores (Daiei-213 stores), discount stores (Dmart, Topos, Pandor – 30 stores), large-scale general discount stores (Hypermart-31 stores), and membership stores (Kous-6 stores) together in a "Category Value

Center." The strategy is to be competitive with other up-and-coming specialized discount stores.

- Starbucks Coffee Japan will open its 200th shop in Japan in Tachikawa City inside the Isetan Department Store.
- Japan's Agricultural Ministry (MAFF) will require major food companies to reduce their garbage by 20% under the new food recycling law which is scheduled to take effect in April 2001. MAFF plans to disclose the names of companies which do not achieve the targeted reduction amount, and may fine violators.

For a copy of a report, fax the request form to: (808) 587-3388 or by email to tradeinvest@dbedt.hawaii.gov.

United Kingdom – Travel & Tourism Market (62 pages)

The U.S. & Foreign Commercial Service reports that behind Japan, the second largest source of overseas travelers to the U.S. is the U.K., with 4,252,000 visiting the U.S. in 1999.

An overall summary on the U.K. travel and tourism market to the U.S. is as follows:

- ♦ The top overseas countries for U.K. travelers in 1999 were dominated by short-haul destinations - France (11.7 million), Spain (10.5 million), and the Republic of Ireland (4.4 million). The U.S. was rank 4th and is the largest long-haul overseas destination.
- ♦ A strong British Pound over the past few years has made travel to the U.S. more affordable to the British traveler.
- ♦ Of the total U.K. arrivals in 1999, 72% of the trips were classified as

vacation/holiday travel.

- ♦ British vacationers typically think of Florida and California, and to a lesser extent Arizona when planning sun holidays. According to the report, this market can be developed "in combination with other destination attractions, such as historical tours, shopping opportunities, cultural activities, water sports, and fishing."
- ♦ Best prospects are in areas that successfully market themselves as a "family" destination. That is why Orlando dominated as the top city destination for U.K. vacationers in 1999 – taking 27.2% of the market. The next most popular destinations are ranked as: New York City, Los Angeles, San Francisco, and Las Vegas.
- ♦ The average U.K. traveler is a repeat traveler (70% of British travelers to the U.S. are repeat travelers) looking for new and different things to do and see. They are adventurous and interested in exploring new destinations. They travel for an average of two weeks. According to the report, good market opportunities exist to encourage the U.K. visitors to explore more "off-the-beaten-track destinations."
- ♦ Like other golfers, British golfers are interested in trying new and challenging courses. Golf packages are most successful if offered in combination with other attractions and destinations.
- ♦ The per capita daily spending of the U.K. traveler in 1999 was US\$78, down 8% from US\$85 in 1998.
- ♦ The British traveler spends a larger portion of their disposable income on travel than the average American on the same economic level. Whereas an American may travel abroad as a once-in-a-lifetime dream, for the British traveler to the U.S., it could be an annual event.

Even when the economy is poor, U.K. residents continue to take at least one long vacation a year.

For a copy of a report, send the request form by

Fax: (808) 587-3388 or by email to tradeinvest@dbedt.hawaii.gov.

Japan – Senior Citizen-related Businesses

Due to Japan having one of the world's largest senior (aged 65 and older) population, the Japan External Trade Organization (JETRO) conducted a survey to collect data of value to foreign companies interested in entering the Japanese senior citizen market.

According to JETRO, "contrary to common belief, the 'health' segment of the senior citizen market is very substantial now, and promises explosive growth in the future."

A summary report on the market is as follows:

- The United Nations calls nations with a senior population of over 7% as "aging societies." According to the October 1999 statistics from the Management and Coordination Agency, Japan's senior population of 21.19 million represents 16.7% of the total Japanese population. Comparatively, China has the largest senior population in the world at 86 million (6.9% of the total China population), while the U.S. has 34 million (12.7% of the total U.S. population) and the U.K. has 32 million (15.7% of the total U.K. population). It is estimated that of the 21.19 senior population in Japan, 18.79 million are the healthy senior population, while 2.4 million seniors require care.

Growth Sectors are in the following areas:

- 1) Medical and welfare (equipment (daily necessities) and services (home delivery, medical care, financial/insurance, reverse mortgage, free time & leisure);
- 2) Information and telecommunications, and
- 3) Distribution and logistics.

The report focuses on various business cases such as foreign company tie-up, market entry, etc., for the various product and service categories.

For a copy of a report, send the request form by Fax: (808) 587-3388 or by email to tradeinvest@dbedt.hawaii.gov.

Tree Nut (Macadamia Nut) Annual Reports

The Agricultural Attache of the U.S. Department of Agriculture has released tree nut annual reports for the year 2001. Although all of the reports are titled as tree nuts, all reports focus on the macadamia nut. A listing of markets and brief summaries follows:

- ❖ **Australia** (7 pages)– 2001/2002 macadamia crop is forecasted at 34,500 MT

Offers

The trade opportunities listed come directly from the company or trade organization. DBEDT does not endorse these companies or organizations. Please do your own background check before entering into any business negotiation.

Offer to Sell

From the Consulate General of the Philippines – Honolulu office. A company in General Santos City, Philippines, seeks Hawaii importer interested in Gmelina (white teak) logs and lumber. For more information, contact Mr. Mohamed Jarkass, Manager, Florben Export Enterprises, Blk. 2 Lot 31 Phase 1, Dona Soledad Subd., 9500 General Santos City, Philippines, Tel: 011-63-83-301-3691; Tel/Fax: 011-63-83-380-2915; e-mail: florben@gsc.weblinq.com

Trade Shows, Conferences, & Trade Missions

August 1-4, 2001

4th China Amusement Facilities and Equipment Exhibition for China. Beijing, China. Organized by Business & Industrial Trade Fairs Ltd. The Expo addresses a full range of exhibit dividing into four major categories: 1) multi-ball games and related facilities; 2) sports, water sports and fitness equipment; 3) theme entertainment; and 4) amusement and ancillary equipment. For more information, contact Arthur Tang at Business & Industrial Trade Fairs Ltd at Tel: 011-852-2865-2633; Fax: 011-852-2866-1770; e-mail: amuse@bitf.com.hk

(nut-in-shell), an increase of 22% over the previous year. Exports during March-November 2000 increased 12% compared to the March-November 1999 figures.

Internet Resources

Japan External Trade Organization www.jetro.org

Established in 1958, JETRO is a nonprofit, Japanese government - supported organization dedicated to promoting mutually beneficial trade and economic relationships between Japan and other nations.

By far the major focus of activities in the U.S. has been assisting American companies doing business with Japan. Promotion of U.S.-Japan industrial cooperation, technology exchange and direct investment in Japan are also areas of significant activity.

Over the years, JETRO has become a valued resource for thousands of American companies, particularly small- and medium-sized businesses new to the Japanese market. In addition to directly assisting private companies, we cooperate closely with national, state and local economic development agencies, as well as with industrial and trade organizations seeking to do business with Japan.

Korean Trade Promotion Corporation www.kotra.or.kr/eng

KOTRA came into being as the Korea Trade Promotion Corporation, a nonprofit governmental organization established June 21st, 1962 to pursue the national policy goals of maintaining the trade balance and building a self-reliant economy. For almost four decades, KOTRA has contributed to the development of the Korean economy through various trade promotion activities, such as trade information, market research services and business matchmaking.

Hong Kong Trade Development Council www.tdctrade.com

Established in 1966, the Hong Kong Trade Development Council (HKTDC) is the statutory organization of the Hong Kong Special Administrative Region to promote Hong Kong's trade in goods and services. It helps to develop Hong Kong's role as an information hub, a sourcing and business centre in Asia-Pacific, and the gateway to Chinese Mainland.

Mission - To create and facilitate opportunities in international trade for Hong Kong companies - especially for small and medium-sized enterprises (SMEs) - and to promote a positive image of Hong Kong.

According to industry sources, about 3.0 million trees planted prior to 1995 are now in commercial production. Since 1995 about 200,000 trees have been planted per year, leaving the Australian macadamia nut industry with 800,000 trees that are not yet producing. The industry employs about 1,600 people - with 1,000 people engaged in the nut production, harvesting and consultancy. The remainder are in processing and marketing. The three largest export markets for Australian macadamia nuts are the U.S., Hong Kong, and Japan. There are about 12 commercial processors of macadamia nuts in Australia, with most of the processing undertaken by six major companies. Five of these companies do their own marketing. The two largest processing companies account for about 50% of kernel production. The majority of kernel production is exported, mainly as bulk raw kernel.

❖ **South Africa** (6 pages)- production of macadamia nuts for 2001 is forecasted at 10,800 tons nut-in-shell (2,700 kernel tons). It represents about a 12% increase from last year's crop. Since 1996, new macadamia nut tree plantings have average 25% per year. In 2001, the estimated macadamia nut trees are at 2.5 million. The largest export markets for the South African macadamia nut are the U.S., Europe, and Asia.

❖ **Guatemala** (6 pages) - macadamia nut production for 2000 is estimated at 7,200 MT (wet-in-shell basis), up 44% from the 1999 production of 4,000 MT (wet-in-shell basis). Macadamia nut consumption in Guatemala continues to be low due to the high market price and lack of consumer awareness. The brand John Macadam has found acceptance in the market. Largest export markets for Guatemala are the U.S., Japan, Sweden, Norway, Canada, Taiwan, and Singapore. Where applicable, the Guatemala Ministry of Agriculture and the Guatemala Coffee Association encourages the Guatemalan coffee producers to utilize macadamia nut trees as shade for the coffee plants to help growers diversify and add another source of income. For a copy of a report, complete the request form and fax to (808) 587-3388 or by email to tradeinvest@dbedt.hawaii.gov.

MyExports.com Exporter Referral Program

To help companies interested in promoting their products and services globally, the U.S. Department of Commerce's International Trade Administration has created a website where U.S. companies can register their business profile free at www.myexports.com to promote their products to a worldwide audience.

The website can also be used to help U.S. producers find export management, trading, and consulting firms that can develop export trade opportunities, solve export problems, and facilitate export transactions. Information on the website can also be accessed on a state-by-state basis.

Companies who register will receive both a free on-line listing and a free listing in the *MyExports.com Buyers' Guide to U.S. Products and Services* - an annual print publication distributed through the U.S. Department of Commerce's Export Assistance Centers (EACs) nationwide.

MyExports.com is a result of a public-private partnership between the U.S. Department of Commerce and Global Publishers LLC of Milwaukee, WI.

For more information on the *MyExports.com Buyers' Guide*, contact the U.S. Department of Commerce Honolulu office at Tel: (808) 522-8040.

Report Request Form

Trade Invest Monthly, Hawaii's International Business Network

Company: _____

Contact person: _____

Address: _____

City: _____

Zipcode: _____

Telephone: _____

Facsimile: _____

Email: _____

Report(s) requested:

___ Japan - Food Business Updates

___ U.K. - Travel & Tourism

___ Japan - Senior Citizen Business
Tree Nut (Macadamia) Reports

___ Australia

___ South Africa

___ Guatemala

OTHER: _____

**Please fax this completed form to (808)
587-3388, or Email your request to:
tradeinvest@dbedt.hawaii.gov**

If you do not want to receive this publication
please fax back a completed form (above) and
check:

☐ UNSUBSCRIBE

